



STATE BOARD OF EQUALIZATION

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November 13, 1980

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Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

No. 80/160

TO COUNTY ASSESSORS,
COUNTY COUNSELS,
ASSESSMENT APPEALS BOARDS,
AND OTHER INTERESTED PARTIES:

PROPERTY TAXES RULE 135

On October 14, 1980, the Board of Equalization adopted amendments to Property Taxes Rule 135, Homeowners' Property Tax Exemption, on an emergency basis. Attached for your information is a varityped copy of the rule.

The amendments, effective October 27, 1980, change the deadline date for filing a notice of termination of homeowners' exemption form from June 30 to December 10. The amendments also provide that the form shall be mailed with the tax bill.

A public hearing of these amendments will be scheduled within 120 days. Persons receiving this notice will also receive a notice of public hearing. If you have any questions about amended Rule 135, please call William Grommet, Assessment Standards Division, (916) 445-4982.

Sincerely,



Janice Masterton
Assistant to Executive Secretary

JM:ms
Attachment

BOARD OF EQUALIZATION
PROPERTY TAX DEPARTMENT

PROPERTY TAX RULES

Chapter 1. State Board of Equalization – Property Tax
Subchapter 2. Assessment
Article 3. Exemptions and Immunities

References: Sections 218, 253.5, 255.3, 408, 531.6, 2615.5, Revenue and Taxation Code

Rule No. 135. (Cal. Adm. Code) Homeowners' Property Tax Exemption

(a) EXEMPTION CLAIMS.

(1) **DISTRIBUTING FORMS.** In addition to the distribution required by subsection (c) of section 255.3 of the Revenue and Taxation Code, the assessor of each county and of each city that independently prepares its local roll shall make available to homeowners during the twelve months preceding the lien date for the next succeeding fiscal year, and the nine months succeeding such lien date, to and including December 1 of the fiscal year, forms on which to claim the homeowners' property tax exemption for that fiscal year (1) by providing blank forms at the assessor's office, (2) by distributing supplies of blank forms to places throughout the county to which residents of the county have easy access, or (3) by a combination of these methods. The assessor need not send a new claim form upon transfer of ownership in a property in any instance in which either spouse retains an ownership interest and otherwise continues to qualify for exemption.

(2) **WHEN CLAIMS ARE DUE.** A claim is timely filed if, on or before the April 15 immediately preceding the start of the fiscal year, it is delivered to the assessor's office or is properly addressed and mailed with postage prepaid. A post office cancellation mark of April 15 or earlier is conclusive evidence of timely filing by mail. The assessor may accept other proof which satisfies him that a claim was mailed on or before April 15, provided such proof is offered on or before April 15 of the following year.

A claim is filed late and an exemption of the lesser of 80 percent of the statutory allowance or 80 percent of the assessed value of the dwelling shall be granted if it is delivered to the assessor's office or is properly addressed and mailed with postage prepaid between April 16 and December 1, inclusive of the last calendar year in which the claim was due.

A veteran who is filing for the veterans' exemption on his principal place of residence for the first time or who was granted a veterans' exemption on his principal place of residence in the immediately preceding year, may make a timely filing for the homeowners' exemption within 15 days after the assessor finds him ineligible for the veterans' exemption and notifies him thereof. Such veterans not notified shall have until the next lien date to make a timely filing.

(3) **SIGNATURE OF CLAIMANT.** The signature of one spouse who is a co-owner is valid for the other co-owning spouse for the initial year of filing and for subsequent years. The assessor may require the refiling of the claim by the remaining spouse if the spouse who signed the active claim has died or has established a principal place of residence elsewhere.

If a timely filed claim lacks a signature or any required information, the assessor may, for good cause, grant the claimant a single period of measurable length within which to cure the defect. Such period shall not extend beyond October 15 unless the defect is found and the claimant is notified thereof after July 15, in which event it shall not extend beyond three months of such notification. If a claim is filed late, the assessor may allow the claimant up to six months, or three months after the claimant is notified, whichever is later, to cure the defect.

Rule No. 135. Homeowners' Property Tax Exemption (Cont. 1)

(4) **PROCESSING CLAIMS.** When a claim for homeowners' exemption is received, the county assessor shall note thereon the fiscal year to which the initial filing relates and the date of filing. He shall ascertain:

(A) Whether the claim was filed within the period prescribed by law;

(B) Whether the claimant was,

1. an owner of record, an owner whose title had not yet been recorded, or a purchaser under a contract of sale of the dwelling identified in the claim; or

2. an owner of shares or a membership interest in a cooperative housing corporation;

(C) Whether more than one claim has been filed on the same dwelling;

(D) By such means as the board may prescribe, whether a person has filed an application on more than one dwelling in the county or on a dwelling which was not his principal residence on the lien date.

If the assessor finds the applicant eligible for the exemption for the initial fiscal year claimed, he shall enroll it, provided that he cannot then allow a veterans' or another homeowners' exemption against an assessment that relates, in its entirety or in part, to the same dwelling unit. He shall, however, allow the blind or disabled veterans' exemption on the dwelling unit in place of the homeowners' exemption. If he finds that the applicant is not eligible for the initial year claimed, but is or will be eligible for a subsequent year, he shall treat the claim as if it had been filed initially for the subsequent year.

If a city independently prepares its local roll, the county assessor, on or before July 1, shall supply the city with a list of all veterans owning property within the city on which the county has allowed a veterans' exemption. The city assessor shall verify, before the city roll is turned over to the tax collector, that he has not allowed a homeowners' exemption on any dwelling on which the county has allowed a veterans' exemption. If any such case exists, the city roll shall be corrected by removing the erroneous homeowners' exemption. The city assessor shall also determine, before the roll is turned over to the tax collector, whether any dwelling on which he, but not the county, has allowed a veterans' exemption has been accorded a homeowners' exemption by the county. If any such case exists, either (1) the city roll shall be revised by deleting the veterans' exemption and, if a homeowners' exemption claim has been filed with the city assessor and approved by him inserting in lieu thereof the homeowners' exemption, or (2) the county assessor and the veteran shall be notified by the city assessor that the county is to correct its roll by acting to obtain and enroll a veterans' exemption claim and thereupon removing the erroneous homeowners' exemption.

(5) **NOTICE OF UNAPPROVED CLAIMS.** After determining that an application for a homeowners' exemption is not approved, the assessor shall notify the applicant of the reason or reasons for nonapproval. Failure to receive such notice shall not entitle the applicant to the homeowners' exemption.

(b) NOTICE OF CIRCUMSTANCES OF INELIGIBILITY.

(1) **MAILING FORMS.** The Notice of Circumstances of Ineligibility required by subsection (b) of section 255.3 of the Revenue and Taxation Code, and the Advice of Termination reply form required by subsection (c) (1) of this regulation, shall be in a form prescribed by the board and shall be mailed annually with the tax bill or copy thereof.

(2) **WHEN ADVICE OF TERMINATION IS DUE.** The assessor shall accept any signed statement of the claimant or co-owning spouse, adequately describing the property for which the homeowners' exemption was previously claimed, that it no longer qualifies for the exemption. The statement should state the lien date as of which the claimant no longer claims the exemption; but if it does not, the assessor, if otherwise unable to ascertain this information from the claimant, shall treat the statement as first applying to the lien date to which the next succeeding fiscal year from the date of filing the statement relates. Such a statement to the assessor shall be known as an "Advice of Termination", which satisfies the duty of the claimant to inform the assessor of ineligibility for the exemption.

An Advice of Termination is considered to be timely filled on the proper form, for the fiscal year for which the exemption is to be first terminated, if written notice is delivered to the assessor's office or is placed in the mail properly addressed with postage prepaid. A post office cancellation mark of December 10 or earlier is conclusive evidence of timely filing by mail. The assessor may accept other satisfactory proof that an Advice of Termination was mailed on or before December 10, provided such proof is offered on or before December 10 of the following year.

Rule No. 135. Homeowners' Property Tax Exemption (Cont. 2)

(3) **PROCESSING ADVICES OF TERMINATION.** When an Advice of Termination is received, the county assessor shall ascertain the fiscal year for which it is first effective. The assessor shall determine that the person signing the advice is the claimant or a co-owning spouse or is otherwise authorized to sign the notice as guardian, administrator, or other legal representative.

(4) **TERMINATION.** After determining that the Advice of Termination is valid, the assessor shall terminate the exemption and, if the Advice of Termination has not been timely filed, make an escape assessment including a penalty of 25 percent of the escape value.

(5) **ERRONEOUSLY FILED ADVICE OF TERMINATION.** If an Advice of Termination is filed in error, the assessor shall accept the written request of the person filing it or a co-owning spouse that it be withdrawn and reinstate the exemption provided the request is received on or before March 1 of the next succeeding calendar year following the erroneous filing.

(c) VERIFICATION OF ELIGIBILITY

(1) **YEARLY VERIFICATION.** Each year the assessor shall enclose with the Notice of Circumstance of Ineligibility, required to be mailed to claimants designated in subsection (b) of section 255.3 of the Revenue and Taxation Code, an Advice of Termination reply form in an envelope bearing either of the following instructions to the postmaster:

1. Do not Forward;
2. Address Correction Requested.

The notice and enclosure shall be sent by first class mail or third class mail with return postage guaranteed to the claimant at the street address given as the claimant's principal place of residence in the homeowners' exemption claim, except that post office box addresses may be used in areas where there are no home deliveries.

(2) **FURTHER VERIFICATION.** The assessor is justified from the nonreturn of the mailing in assuming that it was received by the claimant and that the failure of the claimant to respond indicates the exemption should be continued. If, however, the postal service returns the mailing of correctly addressed material specified in subsection (c)(1) of this section or forwards it to the addressee and provides the assessor with a new mailing address, the assessor may determine by other suitable means that the exemption should be continued and keep a record of the means employed. Otherwise, he shall terminate the exemption.

(3) **RENTERS' CREDIT.** When either the Franchise Tax Board or the State Board of Equalization notifies an assessor that a claimant whose principal place of residence has qualified as of March 1 of any year for a homeowners' exemption has received the credit for qualified renters under the provisions of the Personal Income Tax Law for the taxable year embracing March 1 of the same year, the assessor shall investigate and, if appropriate, terminate the homeowners' exemption and make an escape assessment under section 531.6 of the Revenue and Taxation Code. If the claimant failed to file timely the Advice of Termination, a 25 percent penalty of the escape value shall be added to the assessment.

(d) **ENTRY ON THE ROLL - IDENTITY OF CLAIMANT.** The assessor shall identify the name of each claimant receiving the exemption on the roll or on a subsidiary public record arranged in parcel number order to which the public has access for the purpose of verifying the name of the applicant, or a combination of the two.

(e) MAINTAINING ASSESSOR'S RECORDS.

(1) **ACTIVE CLAIM FILE.** The active claim file, which is composed of the claims or a record thereof of properties that received the homeowners' exemption as of the last preceding lien date, shall be kept in current parcel number order, or in another order that permits ready retrieval of a claim or photostatic copy thereof upon audit of the records. Information from a subsequent investigation pursuant to subsections (c)(2), (c)(3), or (f) of this section shall be indicated on the claim or in other records.

The assessor shall compare each copy of a document transferring ownership to real property, received pursuant to section 255.7 of the Revenue and Taxation Code, with the active claim file. When this comparison discloses the transfer of an eligible dwelling, the assessor shall:

- (A) Delete the reference to the property from the active claim file.

Rule No. 135. Homeowners' Property Tax Exemption (Cont. 3)

(B) Mail a homeowners' exemption claim form to the new owner, as required by subsection (c) of section 255.3 of the Revenue and Taxation Code.

(2) **INACTIVE CLAIM FILE.** The inactive claims or a photostatic record thereof shall be kept according to the last year the claim was allowed and arranged within a year's group in parcel number order, or in another order that permits ready retrieval of information respecting a claim upon audit of the records. Documents such as the Advice of Termination, evidence that a mailing made pursuant to subsection (c)(1) was undeliverable, and information from a subsequent investigation pursuant to subsection (c)(2), (c)(3) or (f) of this section shall be attached to the claim or shall be kept in another order that permits ready retrieval upon audit.

(3) **CLAIM NOT OPEN TO PUBLIC INSPECTION.** Homeowners' exemption claims, Advices of Termination, and related homeowners' exemption records containing social security numbers of claimants, both past and present, are no longer public documents and shall not be open to public inspection.

(4) **DESTRUCTION OF RECORDS.** Claims, Advices of Termination, and other records required in the administration of the homeowners' exemption may be destroyed seven years after the lien date for the last year for which the homeowners' exemption claim was active, provided that when such documents have been microfilmed, the originals may be destroyed three years after the lien date for the tax year for which they were received or made by the assessor.

(f) COOPERATIVE HOUSING CORPORATIONS. Annually prior to March 1 the assessor shall request on a form prescribed by the Board from every cooperative housing corporation containing dwelling units eligible for the homeowners' exemption (1) a list of owners of shares or memberships entitling them to occupancy of a particular dwelling unit and (2) the apartment numbers or other designations of the dwelling units they are entitled to occupy as shown on the corporate shareholder or membership record for the lien date of the current year. The list shall also indicate which of the shareholders or members resided on the lien date in the designated dwelling units. The assessor shall compare this list with a similar list from the preceding lien date and determine:

1. Those dwelling units in which a newly listed shareholder or member is indicated to be residing on the lien date;

2. Those dwelling units in which a previously listed shareholder or member, who was also indicated to have been a resident, no longer is listed as a shareholder or member or, although so listed, no longer is indicated to be a resident.

With respect to the dwelling units in the first category, the assessor shall provide a claim form for the newly listed shareholders or members by April 1. With respect to dwelling units in the second category the assessor shall investigate to determine whether an active claim by the former shareholder or member in residence should be terminated.

If a cooperative housing corporation fails to respond to the assessor's request by March 15, the assessor immediately shall obtain the information requested by other suitable means and mail claim forms to new shareholders or members by April 1.

History. Adopted December 12, 1968, effective December 19, 1968.
Amended February 24, 1969, effective February 28, 1969.
Amended June 18, 1969, effective June 24, 1969.
Amended December 12, 1969, effective January 11, 1970.
Amended January 6, 1971, effective February 18, 1971.
Amended February 17, 1972, effective April 2, 1972.
Amended March 20, 1975, effective April 26, 1975.
Amended October 14, 1980, effective October 27, 1980.